

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature -- Second Regular Session

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-28-16

COMMITTEE ON RURAL AND ECONOMIC DEVELOPMENT

Report of Regular Meeting
Tuesday, January 26, 2016
House Hearing Room 5 -- 2:00 p.m.

Convened 2:14 p.m.

Recessed

Reconvened

Adjourned 2:35 p.m.

Members Present

Ms. Barton
Ms. Benally
Ms. Gonzales
Mr. Leach
Mr. Mendez
Mr. Pratt
Mr. Bowers, Vice-Chairman
Mr. Shope, Chairman

Members Absent

Agenda

Original Agenda -- Attachment 1

Request to Speak

Report -- Attachment 2

Presentations

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
None		

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Attendance)</u>
HB 2133	DP	6-2-0-0	3, 4
	Committee Attendance		5


Patty Wisner, Chairman Assistant
January 27, 2016

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

Conveyed: 2:14 PM
adjourned: 2:35 PM

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON RURAL AND ECONOMIC DEVELOPMENT

DATE Tuesday, January 26, 2016

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mrs. Barton
Mrs. Benally
Mrs. Gonzales

Mr. Leach
Mr. Mendez
Mr. Pratt

Mr. Bowers, Vice-Chairman
Mr. Shope, Chairman

Bills	Short Title	Strike Everything Title
HB2133	<u>JP</u> TPT; exemption; aerial applicators (Shope, Barton, Borrelli, et al)	
	<u>6-2-0-0</u> RED, RULES	

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

pw
1/21/16

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Information Registered on the Request to Speak System

House Rural and Economic Development (1/26/2016)

HB2133, TPT; exemption; aerial applicators

Support:

Robert Shuler, Arizona Crop Protection Association; Sean McCarthy, AZ TAX RESEARCH ASSN; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Bas Aja, DIR. GOV RELATIONS, Arizona Cattlemen's Association; Joe Sigg, Director of Government Relations, Arizona Farm Bureau; Shelly Tunis, Attorney, YUMA FRESH VEGETABLE ASSOCIATION; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Chris Udall, AGRIBUSINESS & WATER COUNCIL OF ARIZONA, INC.; Patrick Bray, Arizona Cattlemen's Association

Neutral:

Sean Laux, AZ DEPT OF REVENUE

Oppose:

Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION

All Comments:

Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION: We oppose this bill because it is a cut to general fund revenues at a time when our economy has only begun to recover. We urge the members of the committee to consider that any cut to revenue would be premature.



HOUSE OF REPRESENTATIVES

HB 2133

TPT; exemption; aerial applicators

Prime Sponsor: Representative Shope, et al., LD 8

X Committee on Rural and Economic Development

Caucus and COW

House Engrossed

OVERVIEW

HB 2133 exempts the sale of agricultural aircrafts from transaction privilege tax (TPT) and use tax.

PROVISIONS

Agricultural Aircraft Exemption

1. Exempts the sale of agricultural aircrafts from TPT and use tax.
2. Defines *agricultural aircraft* as an aircraft that is built for agricultural use for the aerial application of pesticides or fertilizer or for aerial seeding.
3. Applies retroactively to April 18, 1985.

Department of Revenue (DOR) Refund Procedures

4. Specifies that claims for TPT refunds must be submitted by December 31, 2016.
5. Requires a taxpayer claiming a refund to provide proof of all paid taxes that are eligible for an exemption.
6. Requires DOR to review all timely filed claims, determine the correct amount of each claim and to notify the taxpayer of its determination.
7. Stipulates that DOR may not provide any refunds until the aggregate refund claim amount has been determined.
8. Authorizes DOR, if any taxpayers appeal their refund amount, to notify all other claimants of the nature of any delay and, if possible, estimate the extent of the delay.
9. Caps the aggregate amount of refunds that may be claimed at \$10,000.
 - a. Specifies that if that amount exceeds \$10,000, then DOR is required to reduce each claim proportionately so that the total refund amount equals \$10,000.
10. Stipulates that no interest is compounded on a refund if the refund is paid by June 30, 2017, but interest begins to accrue after that date.
11. Contains a non-severability clause.
12. Makes conforming changes.

ADDITIONAL INFORMATION

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross

Fifty-second Legislature
Second Regular Session

Rural and Economic Development

HB 2133

proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax.

Use tax is assessed on items purchased in other states and brought into Arizona for storage, use or consumption and for which no tax or a tax at a lesser rate has been paid in another state. Use tax is imposed on all transactions in which TPT was not.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON RURAL AND ECONOMIC DEVELOPMENT BILL NO. HB 2133

DATE January 26, 2016 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Barton		✓			
Mrs. Benally		✓			
Mrs. Gonzales			✓		
Mr. Leach		✓			
Mr. Mendez			✓		
Mr. Pratt		✓			
Mr. Bowers, Vice-Chairman		✓			
Mr. Shope, Chairman		✓			
		6	2	0	0

APPROVED:

Thomas R. Shope, Jr.
THOMAS R. SHOPE, JR., Chairman
RUSSELL BOWERS, Vice-Chairman

Patty Wisner
COMMITTEE SECRETARY

ATTACHMENT _____

ARIZONA STATE LEGISLATURE
Fifty-second Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON RURAL AND ECONOMIC DEVELOPMENT

CHAIRMAN: Thomas R. Shope, Jr. VICE-CHAIRMAN: Russell Bowers

DATE	1/26/16	1/16	1/16	1/16	1/16
CONVENED	2:14 m	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	2:35				
MEMBERS					
Mrs. Barton	✓				
Mrs. Benally	✓				
Mrs. Gonzales	✓				
Mr. Leach	✓				
Mr. Mendez	✓				
Mr. Pratt	✓				
Mr. Bowers, Vice-Chairman	✓				
Mr. Shope, Chairman	✓				

√ Present --- Absent exc Excused